

# CF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies

During December, the fund's O accumulation shares rose 6.2% from 76.62p to 81.40p. This compares to a 3.8% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price fell by 0.3% in US\$ but increased by 1.8% in sterling.

December was an interesting month in the gold sector with the stocks performing well against a flat gold price over the month. This was probably due to some investors returning to the sector as the gold price held firm following the long anticipated increase in US interest rates on 16 December. The relatively strong performance of the fund over the month was largely a rebound from two months of relative underperformance as some of our holdings caught up with their peer group.

The largest positive contributors to our performance were our five largest Australian holdings plus West African miner, Endeavour Mining. We have spoken about our Australian positions on many occasions. Despite their strong share price rises in 2015, we still see the Australian mid-capitalisation miners as the best place to be in the global gold mining sector with these miners benefiting from strong margins, conservative balance sheets and management teams committed to delivering shareholder value.

Endeavour Mining (+19% in the month in sterling terms) has been one of the largest positions in the fund throughout the year. In late November, Endeavour Mining completed a transaction with La Mancha which, as well as adding a fifth producing asset, resulted in a significant reduction in gearing and improvement in Endeavour's future investment options. This appears to have been a catalyst for others to take an interest in this under-appreciated gold mining company.

Goldcorp continued to be a disappointing performer for us in December but during the month, there were two significant events which could ultimately be positive for the stock. Firstly, Goldcorp addressed the lingering question of management succession with the announcement that David Garofalo would succeed Chuck Jeannes as CEO on his retirement in April. David Garofalo was previously the CEO of Hudbay Minerals and is highly respected by investors. Secondly, the change in government in Argentina on 10 December should lead to a gradual reduction in the perceived geopolitical risk attached to Goldcorp's new Cerro Negro mine. We continued to use relative share price weakness to add to our position.

The performance this month completed a good year for the fund in which we delivered a return of 11.7% against the back-drop of a fall in the FTSE Gold Mines Total Return Index of 15.9% in sterling terms. Looking forward we think it is only fair to warn our investors that it would be unrealistic to expect us to repeat this degree of relative outperformance. Whilst we made important investment calls during the year, we must also have benefited from a fair amount of good fortune. In the year ahead we intend to continue to set the fund up to deliver a positive return in a flat gold price environment, outperform in a falling market and then do our best to keep pace with a rising market.



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## Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

## Performance since launch on 1 October 2003



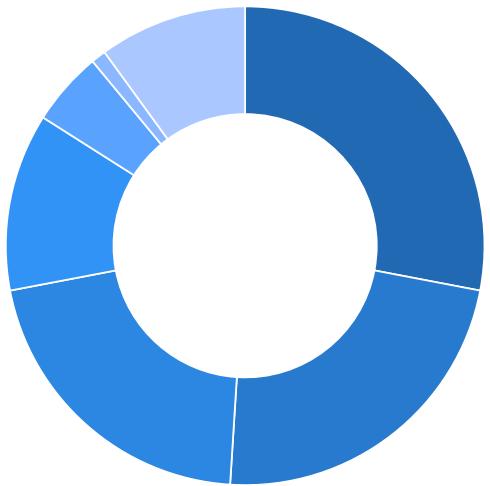
Performance %	December 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	6.2	11.7	11.7	-61.0	-78.4	-41.6
Percentage growth (O acc)		%				
31 Dec 2014 – 31 Dec 2015		11.7				
31 Dec 2013 – 31 Dec 2014		-10.8				
31 Dec 2012 – 31 Dec 2013		-60.8				
31 Dec 2011 – 31 Dec 2012		-18.0				
31 Dec 2010 – 31 Dec 2011		-32.5				
Share price as at 31 December 2015						
O accumulation						82.26
C accumulation						81.40

Source: Ruffer LLP

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

# CF Ruffer Gold Fund as at 31 December 2015

## Portfolio structure



### Capitalisation breakdown

% market exposure	Size	Market cap
11.4	Large	US\$5bn+
32.3	Mid	US\$1-\$5bn
46.5	Small	US\$0-\$1bn

### 10 largest of 89 holdings (representing 73 companies)

Stock	% of fund	Stock	% of fund
Northern Star Resources	5.2	Gold Fields	4.1
Goldcorp	4.8	AngloGold Ashanti	3.9
Silver Wheaton	4.8	Evolution Mining	3.3
Regis Resources	4.7	Lake Shore Gold	3.1
Endeavour Mining	4.5	Metals Exploration	2.8

Source: Ruffer LLP

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The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts.

## Fund size £297.7m

## Fund information

%	O class	C class
Ongoing Charges Figure	1.64	1.33
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.00	0.00
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward to 10am Wednesday, based on NAV Plus forward from 10am on last Wednesday of the month to last business day of the month	
	O class	C class
ISIN	GB0033628156	GB00B8510Q93
SEDOL	3362815	B8510Q9
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depository	BNY Mellon Trust & Depositary (UK) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of CF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

## Fund Manager

### Paul Kennedy

#### RESEARCH DIRECTOR



Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the CF Ruffer Gold Fund since February 2015.

## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 December 2015, assets managed by the Ruffer Group exceeded £18.3bn, of which over £9.3bn was managed in open-ended Ruffer funds.

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